

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	CASE NO. 91-329
NORTH LOGAN WATER DISTRICT #1)	

O R D E R

On September 13, 1991, North Logan Water District #1 ("North Logan") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. North Logan purchases water from the city of Russellville ("Russellville"). Prior to this case, Russellville billed North Logan on a six-step declining block rate schedule. Russellville has changed the rate structure it charges its customers to a seven-step declining block rate schedule.

2. Effective with the billing payable July 1, 1991, Russellville increased its rates to North Logan by approximately 28 cents per 1,000 gallons. The average monthly bill will increase from \$24.08 to \$26.40, which is an increase of 9.63 percent. These monthly bills are derived from information contained in North Logan's 1990 annual report, which is incorporated by reference herein.

3. North Logan did not specify a date for implementing the increased rates to its customers.

4. During the 12 months ending August 31, 1991, North Logan purchased 56,638,800 gallons of water and sold 48,932,280 gallons.

5. The increase in North Logan's purchased water costs is \$15,833, resulting in a purchased water adjustment of 32 cents per 1,000 gallons of water.

6. The purchased water adjustment of 32 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

7. The tariff sheet proposed by North Logan should be denied in that the tariff is not signed by the utility officer authorized to issue the tariff.

IT IS THEREFORE ORDERED that:

1. The tariff sheet filed by North Logan is hereby denied.

2. The purchased water adjustment of 32 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after August 25, 1991.

3. Within 30 days of the date of this Order, North Logan shall file a revised tariff, signed by the appropriate utility officer, setting out the rates approved herein.

4. Within 20 days of the date of this Order, North Logan shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 9th day of October, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-329 DATED 10/09/91

The following rates and charges are prescribed for the customers in the area served by North Logan Water District No. 1. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Usage Blocks</u>	<u>Monthly Rates</u>
First 2,000 gallons	\$ 9.54 Minimum Bill
Next 2,000 gallons	4.27 per 1,000 gallons
Next 6,000 gallons	2.57 per 1,000 gallons
Next 15,000 gallons	2.37 per 1,000 gallons
Over 25,000 gallons	2.22 per 1,000 gallons